



# San Francisco Department of Public Health

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FY 2022-23  
Third Quarter Financial Report  
May 2023



# Highlights for Third Quarter Financials

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- \$6.9 million deficit, an improvement of \$8 M compared to Third Quarter
  - \$2.8 million worsening of projected revenue
  - 10.7 million improvement in expenditure savings
- Revenue deficit of 18.0 projected in FY 22-23 primarily due
  - Reduced census at Laguna Honda during the recertification process offset by improved rates
  - Delay in the settlement of \$38 million in prior year waivers, offset by favorable revenues at ZSFG
- Expenditures across the department are expected to be \$11 M (0.4%) under budget
  - ZSFG projected to be \$2.3 M overbudget due to inflationary costs, increased registry costs and increased census. \$16.5 million already transferred internally to offset shortfall projected in Q2
  - LHH projected to be \$7.2 M overbudget due to recertification efforts
- Figures in this report are based on nine months of actuals.



# Third Quarter Summary - \$6.9 M Surplus

Third Quarter Report	Revenue			Expenditure			Total
	Revised Budget	Current Projection	Surplus/ (Deficit)	Revised Budget	Current Projection	Surplus/ (Deficit)	Surplus/ (Deficit)
HGH - Zuckerberg SF General	\$ 1,107.7	\$ 1,113.3	\$ 5.6	\$ 1,126.1	\$ 1,128.5	\$ (2.3)	\$ 3.2
HLH - Laguna Honda Hospital	\$ 214.5	\$ 192.2	\$ (22.3)	\$ 339.9	\$ 347.1	\$ (7.1)	\$ (29.4)
HBH - Behavioral Health	\$ 267.4	\$ 271.4	\$ 4.0	\$ 413.9	\$ 404.3	\$ 9.5	\$ 13.5
HPC - Primary Care	\$ 20.2	\$ 19.7	\$ (0.5)	\$ 153.2	\$ 147.6	\$ 5.6	\$ 5.1
HJH - Jail Health	\$ 0.4	\$ 0.4	\$ -	\$ 42.3	\$ 41.0	\$ 1.3	\$ 1.3
HNS - Health Network including HAH	\$ 15.6	\$ 12.6	\$ (3.0)	\$ 188.4	\$ 189.1	\$ (0.6)	\$ (3.6)
HPH - Population Health Division	\$ 25.7	\$ 24.5	\$ (1.2)	\$ 108.4	\$ 106.6	\$ 1.8	\$ 0.6
HAD - Central Administration	\$ 44.4	\$ 43.7	\$ (0.6)	\$ 168.0	\$ 165.1	\$ 3.0	\$ 2.3
<b>Total Operating</b>	<b>1,695.7</b>	<b>1,677.8</b>	<b>(18.0)</b>	<b>2,540.2</b>	<b>2,529.2</b>	<b>11.0</b>	<b>(6.9)</b>

# Zuckerberg San Francisco General

## \$3.2 million surplus



Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Revenues - \$5.6 million favorable	
Net Patient Revenues	\$80.4
Medi-Cal Managed Care Supplemental Revenue	(\$11.6)
Medi-Cal Waiver – GPP (\$30.5 M and Prior Year Settlements -\$38.0 M)	(\$68.5)
Other Medi-Cal – GME Program & PHE Enhanced FMAP	\$4.4
Healthy Workers Capitation Fees	\$13.7
340b Specialty Pharmacy Program	(\$12.7)
Expenditures – \$2.3 million shortfall	
Salary and Fringe Benefits	\$9.6
Non-personnel Services	(\$4.5)
Materials and Supplies	(\$6.2)
Services of Other Departments	(\$1.4)

# Laguna Honda Hospital \$29.4 million deficit



Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Revenues - \$22.3 million unfavorable	
Reduced Census since the beginning of fiscal year	(\$22.3)
Expenditures - \$7.1 million unfavorable	
Non-personnel Services	(\$11.0)
Materials & Supplies	\$3.5
Services of other Departments	\$0.3

# Behavioral Health

## \$13.5 million surplus



Major Variances	22-23 GF Favorable / (Unfavorable)
Revenues - \$4 million favorable	
Patient Revenues	(\$10.1)
BH Quality Improvement Program	(\$0.2)
CalAIM Enhanced Care Management Revenue	(\$0.9)
2011 Realignment	\$15.8
Other State Revenue	(\$0.4)
Expenditures - \$9.5 million favorable	
Salary and Fringe Benefits	\$1.8
Non-personnel Services and work orders	\$8.4



# Primary Care: \$5.1 Million Surplus

Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Revenue - \$0.5 million favorable	
Patient Revenues	(\$1.0)
CalAIM Enhanced Case Management and Community Supports	(\$0.3)
Capitation Revenue – Healthy Worker’s	\$0.8
Expenditures - \$5.6 million favorable	
Salary and Fringe Benefits	\$5.2
Annual Projects	\$0.4



# Jail Health: \$1.3 million surplus

Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Expenditure - \$1.3 million savings	
Salary and Fringe Benefits	\$1.8
Non-personnel Services	(\$1.8)
Materials and Supplies	\$1.0
Services of Other Departments	\$0.3

# Health Network Services: \$3.6 million deficit



Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Revenues - \$3.0 million unfavorable	
Patient Revenues - HAH	\$0.6
HSF Participant Fees	(\$1.7)
County Based Medi-Cal Administrative Activities	(\$0.9)
CalAIM Enhanced Case Management	(\$0.7)
Health Care Accountability Fees	(\$0.2)
Expenditures - \$0.6 million unfavorable	
Salary and Fringe Benefits	\$2.4
Non-personnel Services	(\$3.0)

# Population Health Division: \$0.6 million surplus

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Major Variances	22-23 GF Favorable / (Unfavorable)
Revenues - \$1.2 million unfavorable	
Patient Revenues	(\$1.2)
Expenditures - \$1.8 million favorable	
Salary and Fringe Benefits	\$1.8

# Public Health Administration: \$2.3 M surplus



Major Variances	22-23 GF Favorable / (Unfavorable)
Revenue - \$0.6 million unfavorable	
Vital Records Fees	\$0.2
CMAA	(\$0.8)
Expenditures - \$2.9 million favorable	
Salary and Fringe Benefits	\$1.2
IT Project budget	\$1.7



# COVID Response Project Budget

<u>Branch</u>	Q3			
	<u>Revised Budget</u>	<u>Projection</u>	<u>Inventory Adjustment</u>	<u>Surplus/ (Deficit)</u>
CoVid OPS DOC	8.9	11.1	(4.8)	2.7
CoVid OPS SIP & I&Q	5.1	3.6		1.5
CoVid CDRU	4.0	4.4		(0.4)
CoVid OPS Community	19.7	14.6		5.0
CoVid PLN Epi & Surveillance	2.0	2.0		0.0
CoVid OPS Testing	16.3	15.5		0.8
CoVid OPS Vaccination	17.3	13.4		3.9
<b>Total</b>	<b>73.3</b>	<b>64.6</b>		<b>13.6</b>



# COVID Response Project Budget

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- \$13.6 million surplus projected, primarily due to the closeout of prior year encumbrances and reduction in projected expenditures
  - \$2.7 million projected savings in Department Operation Center (DOC). Note this projection includes expected reporting adjustment similar to prior years to recognize personnel protective equipment (PPE) purchased last year.
  - \$1.5 million projected surplus in the Shelter in Place (SIP) and Isolation and Quarantine Hotels (I&Q) from close out of FY 2021-22 encumbrances for operations
  - \$0.4 shortfall in COVID Response Unit due to increased projected contract expenditure.
  - \$5.0 million projected savings in the community response project from a reduction in projected expenditures.
  - \$0.8 million projected savings in testing based on current testing trends.
  - \$3.9 million projected savings in vaccination based on current vaccination trends.
- Projection assumes baseline level of services and does not include any service increases for revenue



# DPH Revenue Management Reserve

- Section 12.6 of the administrative provisions of the Annual Appropriation Ordinance allows the deferral of DPH Revenue Management Reserve.
- Reserve is based on net Medi-Cal, Medicare and Patient Revenue and allows for up to 50% of surplus revenues to be deposited, up to a total of 5% of the two-year budgeted revenues.
- Estimated \$6.9 million withdrawal will be made at year end to balance shortfall, leaving \$117 million remaining in the reserve.

DPH Revenue Management Reserve as of Q3 2022-23					
Budgeted Revenues	Medi-Cal	Medicare	Patient Revenues	Less IGT	Annual total
FY 2022-23	1,061,266,522	191,432,968	122,869,166	(114,034,233)	1,262,120,134
FY 2023-24	1,019,131,750	188,379,336	123,446,637	(116,148,435)	<u>1,215,506,998</u>
			Total Revenues Over Two Years		2,477,627,132
			Starting Reserve Balance as of Q4 FY 22-23		123,881,357
			Estimated Withdrawal at Year End		<u>(6,900,000)</u>
			Remaining Balance		116,981,357
			Reserve balance as a percentage of Two year Medi-Cal, Medicare and Patient Revenues		4.72%

# Questions

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Thank You